

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. **20554**

In Re Joint Application of

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TXU Communications Telecom Services
 Company d/b/a TXU Communications,
 Fort Bend Long Distance Company
 d/b/a TXU Communications, and
 Grande Communications Networks, Inc.

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For Streamlined Authority
 Under Section 214 of
 the Communications Act for
 Partial Transfer of Control
 of TXU Communications

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File Nos. _____
 and WC 13-28

12/1/11

**APPLICATION FOR TRANSFER OF CONTROL OF PORTIONS
OF DOMESTIC AND INTERNATIONAL 214 AUTHORIZATIONS**

TXU Communications Telecom Services Company ("OCN 7470") and Fort Bend Long Distance Company d/b/a TXU Communications ("OCN 6090") ("TXU Communications" or the "Transferor") and Grande Communications Networks, Inc. ("Grande" or the "Transferee") hereby request FCC consent to transfer partial control of Section 214 authorizations to provide domestic and international switched telecommunications service currently held by TXU Communications so that Grande may acquire certain TXU Communications assets pursuant to Section 214 of the Communications Act of 1934, as amended (the Act), 47 U.S.C. § 214, and Part 63 of the Commission's Rules, 47 C.F.R. § 63. Specifically, this Application is filed pursuant to Commission Rule 63.18(e)(3) and the streamlined procedures of Commission Rule 63.03(b)(2)(i). The transfer of control is being requested due to the sale of competitive local exchange and exchange access assets by TXU Communications to Grande in certain specified Texas markets and the sale of customer accounts in certain Texas markets for resold switched domestic and international toll services

1. INTRODUCTION AND DESCRIPTION OF THE TRANSACTION

TXU Communications Telecom Services Company and Fort Bend Long Distance Company are Texas corporations that provide local exchange services, domestic and international long distance services, high-speed Internet access, and enhanced data services to more than 20,000 customers in Texas. The companies were founded to provide customers a high tech, affordable alternative to Southwestern Bell Telephone Company and other ILECs in Texas.

Grande is a Delaware corporation that is building a facilities-based broadband communication network in Texas. Its network relies on state-of-the-art technology capable of delivering multiple communications services to residential and business customers, including digital cable television, voice telephony, and high-speed access to the Internet.

On January 15, 2003, the parties entered into an Asset Purchase Agreement ("Agreement") to transfer certain telecommunications assets and customer accounts. This partial transfer of control application is being filed to implement the Agreement between the parties. TXU Communications intends to transfer customer accounts in the following Texas cities *to* Grande: Austin (2,050 business lines and 425 residential lines), Dallas (4650 business lines), Fort Worth (2,750 business lines), Houston (6,500 business lines and 3,000 residential lines), San Antonio (1,000 business lines), and The Woodlands (700 business lines). TXU Communications will discontinue service to approximately 6,500 business lines in Houston and will file an application pursuant to Section 63.71 of the Commission's rules for authorization to discontinue service to those customers. Commission approval of the transfer of the TXU Communications switches and Section 214 authorization to serve the customers being transferred to Grande will allow the Transferee to provide high-quality switched telecommunications services to the Transferor's customers utilizing the Transferor's existing facilities and services from other providers.

TXU Communications Telecom Services Company and Fort Bend Long Distance Company are not requesting and do not want to transfer complete control of their 214

authorizations to Grande because the Transferors will continue to operate under those authorizations in the Lufkin, Conroe, Katy and other Texas retained markets

The proposed transaction will result in the Transferee being a non-dominant carrier, having less than 10 percent of the domestic interexchange market share. The Transferee will provide competitive local exchange and exchange access services in geographic areas served by dominant local exchange carriers that are not parties to the transaction and will resell switched, non-facilities-based domestic and international toll services. Moreover, under Section 63.10(a), the Transferee is presumptively non-dominant on any international routes it may serve, and has no affiliation with any foreign carrier. Therefore, this application qualifies for the streamlined approval process provided for in §§ 63.03 and 63.12 of the Commission's rules.

By granting this application, the Commission will serve the public interest, convenience, and necessity by ensuring continuity of service to the Transferor's customers and promoting competition in the domestic and international interexchange services market. Competition will benefit U.S. consumers by increasing service options and lowering prices.

11. SUPPORTING INFORMATION

In support of its request for authority to partially transfer the TXU Communications Section 214 authorization to provide international switched voice services, and pursuant to Section 63.18 of the Commission's Rules, the Transferee furnishes the following information relevant to the application

Information concerning the Transferor and the Transferee

(a). Name, Address, and Telephone Numbers of the Parties

The Transferors are TXU Communications Telecom Services Company and Fort Bend Long Distance Company d/b/a TXU Communications. The Transferor's telephone number is (214) 774-3000. The Transferor's business headquarters are located at the following address:

TXU Communications
300 Decker Drive
Irving, Texas 75062

The Transferee is Grande Communications Networks, Inc. The Transferee's telephone number is (512) 878-4000. The Transferee's business headquarters are located at the following address:

Grande Communications Networks, Inc
401 Carlson Circle
San Marcos, Texas 78666-6730

(b). Place of Corporate Organization

Fort Bend Long Distance Company is a Texas corporation, formed on April 2, 1996, holding Charter No 0139515500 TXU Communications Telecom Services Company is a Texas corporation, formed on January 23, 1991, holding Charter No. 01 17952200. The Transferee is a Delaware corporation formed on April 6, 2000, holding Authentication No. 0367747

(c). Contact Information

All correspondence concerning this Application should be addressed to **the** following individuals:

Transferor's attorneys:
Bradford W. Bayliff
Casey & Gentz, L.L.P.
919 Congress Ave., Suite 1060
Austin, Texas 78701
Phone: (5 12) 480-9900
FAX: (5 12) 480-9200

Transferor:
Kathy Yeager
Director – State Regulatory
TXU Communications Telecom Services Company
Post Office Box 909
Lufkin, Texas 75901
Phone: (936) 637-4558
FAX: (936) 637-2591

Transferee:

Gabriel Garcia, Assistant General Counsel for Regulatory Affairs
Grande Communications Networks, Inc.
401 Carlson Circle
San Marcos, Texas 78666-6730
Phone: (512) 878-4000
FAX: (512) 878-4010

(d). Previous 214 Authority

The Transferor has obtained Section 214 authorizations to resell global international switched services (ITC-214-19980528-00355, granted to TXU Communications Telecom Services Company on June 17, 1998, and ITC-214-19960729-00349, granted to Fort Bend Long Distance Company on August 6, 1998). The Transferee has Section 214 authority to resell global international switched services (ITC-214-20001108-00651, granted on November 30, 2000). Under Section 63.18(e)(3) of the Commission's rules, the Transferee requests approval of the partial transfer of control of the Transferor's global resale international authority to serve the customers being transferred to Grande. TXU Communications Telecom Services Company and Fort Bend Long Distance Company are not requesting, and do not want, to transfer complete control of their 214 authorizations (or their blanket domestic Section 214 authorizations) to Grande because the Transferors will continue to operate under those authorizations in Lufkin, Conroe, Katy and other retained Texas markets.

Information Concerning the Transferee (pursuant to Section **63.18(e)(3)**)

(h). Equity Ownership

Grande Communications Networks, Inc. is a wholly owned subsidiary of Grande Communications Holdings, Inc. ("Holdings"). Two entities own greater than 10 percent of Holdings:

J.H. Whitney, IV, L.P., a Delaware Limited Partnership
15th Floor
177 Broad Street
Stamford, Connecticut 06901

Centennial Funds VI, L.P., a Delaware Limited Partnership
Suite 1525
1730 Post Oak Boulevard
Houston, Texas 77056

The principal business of J. H. Whitney IV, L.P. and Centennial Funds VI, L.P. is investments. No individual or entity investing in either entity owns greater than a 10% direct or indirect interest in Holdings

(i). Foreign Carrier Certification

The Transferee hereby certifies that it is not, and has no affiliation with, a foreign carrier. No director, shareholder, or officer of the Transferee is an agent of a foreign carrier.

(j). Not applicable because the Transferee does not seek to provide international telecommunications service to any destination country for which the Transferee is a foreign carrier in that country, the Transferee does not control a foreign carrier in that country, no entity controls more than 25 percent of the Transferee, and two or more foreign carriers do not own more than 25 percent of the Transferee

(k). Not applicable because no countries were listed in subsection (j)

(l). Not applicable because the Transferee does not propose to provide telecommunications services to a country where it is a foreign carrier and because it is not affiliated with a foreign carrier

(m). Not applicable because the Transferee is not a foreign carrier and is not affiliated with a foreign carrier.

(n). No Special Concessions

The Transferee hereby certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue *flows* between the U.S. and any foreign country that the Transferee may serve under the authority granted under this part and will not enter into such agreements in the future.

(o). Certification Pursuant to Rules 1.2001 Through 1.2003

The Transferee hereby certifies that no party to the application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act.

(p). Streamlined Processing.

The Transferee is presumptively non-dominant under Section 63.10(a)(1) of the Commission's Rules and, therefore, qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules

Other Applications Pending or to **be** Filed with the Commission Related to the Same Transaction


This application also requests partial transfer of the Transferor's domestic Section 214 authority pursuant to the terms and conditions of Sections 63.04(b)(2)(i) of the Commission's rules. The transaction also will transfer certain telecommunications switching facilities such as switches from TXU Communications to Grande. The Transferee will comply with the requirements of 47 C.F.R. 64.1120. The Transferor will file an application at the Public Utility Commission of Texas for approval of authorization to discontinue providing some intrastate local and interexchange service to customers.

Public Interest Statement

By granting this application, the Commission will serve the public interest, convenience and necessity by ensuring continuity of service to the Transferor's customers and promoting competition in the domestic and international interexchange services market. The Transferee and Transferor therefore respectfully request that the Commission approve the partial transfer of TXU Communication's domestic and global resale international Section 214 authorizations to the Transferee.

Respectfully submitted,

Fort Bend Long Distance Company
300 Decker Drive
Irving, Texas 75062
Phone: (214) 774-3000
FAX: (214) 774-3031

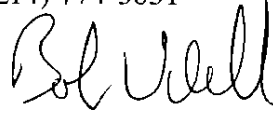
By:  _____
Bob Udell

Executive Vice President – Strategy & Regulatory
Fort Bend Long Distance Company

Respectfully submitted,

TXU Communications Telecom Services Company
300 Decker Drive
Irving, Texas 75062
Phone: (214) 774-3000
FAX: (214) **774-3031**


By: _____

A handwritten signature in black ink, appearing to read "Bob Udell", written over a horizontal line.

Bob Udell
Executive Vice President – Strategy & Regulatory
TXU Communications Telecom Services
Company

Respectfully **submitted,**

Grande Communications Networks, Inc.
401 Carlson Circle
San Marcos, Texas 78666-6730
Phone: (512) 878-4000
FAX: (512) 878-4287

By: 
Andrew Kever
Senior Vice President, General Counsel, and
Secretary
Grande Communications Networks, Inc.

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE **ME**, the undersigned authority, on the 16 day of January 2003, personally appeared Bob Udell, Executive Vice President – Strategy & Regulatory of Fort Bend Long Distance Company, who upon being by me duly sworn, on oath deposed and said the following:

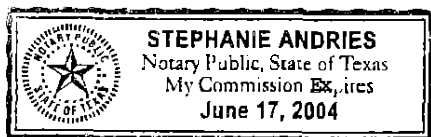
1. "My name is Bob Udell. I am over the age of twenty-one (21), of sound mind and competent to testify to the matters stated herein. I am the Executive Vice President – Strategy & Regulatory of the Transferor, Fort Bend Long Distance Company.
2. "I swear or affirm that I have personal knowledge of the facts stated in this Joint Application for Transfer of Control and that I have the authority to make this application on behalf of the Transferor.
3. "I further swear or affirm that all of the statements and representations made in this Joint Application for Transfer of Control are true and correct."



Bob Udell
Fort Bend Long Distance Company

GIVEN under my hand and seal of office this 16 day of January 2003.


NOTARY PUBLIC, State of Texas



AFFIDAVIT

STATE OF TEXAS

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COUNTY OF Dallas

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BEFORE ME, the undersigned authority, on the 16 day of January 2003, personally appeared Bob Udell, President of TXU Communications Telecom Services Company, who upon being by me duly sworn, on oath deposed and said the following:

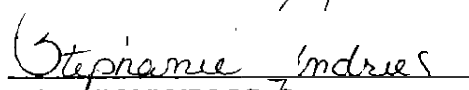
1. "My name is Bob Udell. I am over the age of twenty-one (21), of sound mind and competent to testify to the matters stated herein. I am the Executive Vice President - Strategy & Regulatory of the Transferor, TXU Communications Telecom Services Company.
2. "I swear or affirm that I have personal knowledge of the facts stated in this Joint Application for Transfer of Control and that I have the authority to make this application on behalf of the Transferor.
3. "I further swear or affirm that all of the statements and representations made in this Joint Application for Transfer of Control are true and correct."



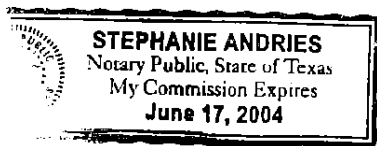
Bob Udell

TXU Communications Telecom Services Company

GIVEN under my hand and seal of office this 16 day of January 2003.



NOTARY PUBLIC, State of Texas



AFFIDAVIT

STATE OF TEXAS

COUNTY OF HAYS

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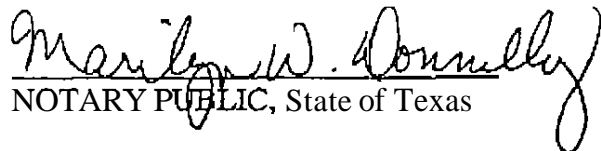
BEFORE ME, the undersigned authority, on the 17th day of January 2003, personally appeared Andrew Kever, Senior Vice President, General Counsel, and Secretary of Grande Communications Networks, Inc., who upon being by me duly sworn, on oath **deposed** and said the following:

1. "My name is **Andrew** Kever. I **am** over the age of twenty-one (21), of sound mind and competent to testify to the ~~maters~~ **stated** herein. I **am** the Vice President and General Counsel of the Transferee, Grande Communications Networks, Inc.
2. "I **swear** or **affirm** that I have personal knowledge of the facts stated in this Joint Application for Transfer of Control **and** that I have the authority to **make this application** on behalf of the Transferee.
3. "I further **swear** or **affirm** that **all** of the statements **and** representations made in this Joint **Application** for Transfer of Control are **true** and correct."



Andrew Kever
Senior **Vice** President, General Counsel **and**
Secretary
Grande Communications **Networks**, Inc.

GIVEN under my hand and seal of office this 17th day of January 2003.



NOTARY PUBLIC, State of Texas

ATTACEMENT A

APPLICATION FOR TRANSFER OF SECTION 214 DOMESTIC AUTHORITY

1. Description of the Transaction

A detailed description of the transaction is set forth in Section I of the primary global resale international Section 214 application for approval of transfer of control.

2. Geographic Areas and Services.

TXU Communications is a competitive local exchange carrier ("CLEC") (OCNs 6090 and 7470) authorized to offer telecommunications services in Texas. TXU Communications offers facilities-based local exchange and exchange access services, domestic and international long distance telephone services, and additional services such as high-speed Internet and enhanced data services to more than 20,000 customers. Grande Communications Networks, Inc. is a Delaware corporation that is building a facilities-based broadband communication network in Texas. Its network relies on state-of-the-art technology capable of delivering multiple communications services to residential and business customers, including digital cable television, voice telephony, and high-speed access to the Internet

TXU Communications currently provides competitive local exchange services and exchange access services in the following Texas markets: Austin, Dallas, Fort Worth, Houston, San Antonio, and The Woodlands. TXU Communications also provides exchange access services in the following Texas markets: Lufkin, Conroe, and Katy

Grande Communications Networks, Inc.'s service area for exchange access services includes the following Texas markets: **Austin**, Corpus Christi, Midland, Odessa, San Marcos, and Waco.

3. Expedited Treatment and Qualification for Streamlined Processing of Application

The proposed transaction will result in the Transferee being a non-dominant carrier, having less than 10 percent of the domestic interexchange market share and the Transferee will provide competitive domestic telephone exchange services and exchange access services in geographic areas served by dominant local exchange carriers that are not parties to the transaction. Therefore, this application qualifies for the streamlined approval process provided for in § 63.03 of the Commission's rules. Granting expedited treatment of this application will further serve the public interest by allowing the Transferee to implement a smooth transition and continue the operations of the Transferor. Neither applicant is a dominant carrier in any of the markets pertaining to this transaction. Whereas affiliates of TXU Communications Telecom Services Company and Fort Bend Long Distance Company are dominant local exchange carriers in certain other Texas markets, both TXU Communications Telecom Services Company and Fort Bend Long Distance Company are non-dominant competitive local exchange carriers and non-dominant switched toll resale carriers in the specific markets involved in this asset sale transaction.

4. Other Applications Pending or to be Filed with the Commission Related to the Same Transaction

This attachment accompanies a primary application that requests authorization to partially transfer the TXU Communications global resale international Section 214 authority to Grande Communications Networks, Inc. The Transferee will comply with the requirements of 47 C.F.R. 64.1120. The Transferor is filing an application to discontinue service to some customers. The Transferor is filing an application at the Public Utility Commission of Texas to relinquish its Service Provider Certificate of Operating Authority.

5. Special Considerations Because of Imminent Business Failure

There is no imminent business failure of TXU Communications at this time. The need to complete the transaction and provision the Transferee's service to customers, however, does add a sense of urgency to obtain regulatory approvals and to close the transaction.

6. Identification of Separately Filed Waiver Requests

Neither the Transferor nor the Transferee will file any waiver requests.

7. Public Interest Statement

By granting this application, the Commission will serve the public interest, convenience and necessity by ensuring continuity of service to the Transferor's customers and promoting competition in the domestic and international interexchange services market.

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of 1

(1) LOCKBOX #

SPECIAL USE

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)
Blooston, Mordkofsky, Dickens, Duffy 6 Prendergast

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)
\$860.00

(6) CITY
Washington

(7) STATE
DC

(8) ZIP CODE
20037

(9) DAYTIME TELEPHONE NUMBER (include area code)
(202) 659-0830

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)
0003-7141-93

(12) PAYER (TIN)
1521136273

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT. USE CONTINUATION SHEETS (FORM 159-C)**

(13) APPLICANT NAME
TXU Communications Telecom Services Company

(14) STREET ADDRESS LINE NO. 1
PO Box 151120

(15) STREET ADDRESS LINE NO. 2

(16) CITY
Lufkin

(17) STATE
TX

(18) ZIP CODE
75915 - 1120

(19) DAYTIME TELEPHONE NUMBER (include area code)
(936) 633-6615

(20) COUNTRY CODE (if not in U.S.A.)

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE
CUT

(25A) QUANTITY
1

(26A) FEE DUE FOR (PTC)
\$860.00

(27A) TOTAL FEE
\$860.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT

I, **John A. Prendergast**, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE

DATE **1/21/03**

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION

☐ MASTERCARD

☐ VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE

Blooston Mordkofsky Dickens 01-98
Duffy & Prendergast
2120 L Street, N.W., Suite 300
Washington, DC 20037-1563
(202) 659-0830

SUNTRUST BANK
BEAVERDAM, VA 23015-0068
68-2/510

2922

01/21/2003

PAY TO THE ORDER OF Federal Communications Commission

\$ **860.00

Eight Hundred Sixty and 00/100*****

DOLLARS



Federal Communications Commission

MEMO TXU

John A. Prendergast MP

⑈002922⑈ ⑆051000020⑆ 206559445⑈

Blooston. Mordkofsky. Dickens. Duffy & Prendergast

2922

Federal Communications Commission

01/21/2003

Dale	Type	Reference	Original Amt.	Balance Due	Discount	Payment
01/21/2003	Bill	2245	860.00	860.00		860.00
				Check Amount		860.00

Checking account

TXU

860.00